

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

RED BARN MOTORS, INC., PLATINUM
MOTORS, INC., and MATTINGLY AUTO
SALES, INC., individually and on behalf of
other members of the general public similarly
situated,

Plaintiffs,

v.

COX AUTOMOTIVE, INC., NEXTGEAR
CAPITAL, INC. F/K/A DEALER SERVICES
CORPORATION, successor by merger with
Manheim Automotive Financial Services, Inc.,
and JOHN WICK,

Defendants.

Case No. 1:14-cv-01589-TWP-DKL

DECLARATION OF BRANDON WALTON

1. I am over twenty-one years of age, of sound mind, and competent to make this declaration.

2. I am the Senior Vice President and Chief Operating Officer at Auction Insurance Agency (“AIA”) and have been with the company since 1993. My responsibilities include the coordination and management of all daily operations, including loss prevention and recovery, claims adjusting, and maintenance of existing accounts. This Declaration is based on my own personal knowledge, in reliance on the regular practices and procedures of AIA, and on the records maintained by AIA.

3. AIA is not owned by or affiliated with any of the Defendants in this case, including Cox Automotive, Inc. and NextGear Capital, Inc., nor is it affiliated with any of their related companies.

4. AIA offers payment and title guaranty insurance to some of its auction customers. Payment and title guaranty insurance protects auctions against bad checks and failure to collect payment from buying dealers. It also protects against losses that result from the auctioning of stolen vehicles.

5. AIA maintains a list of dealers with known default issues whose transactions AIA will not insure, which we refer to as our “uninsurable list” and is sometimes referred to as the “KO Book” by others in the industry. This underwriting tool allows AIA to prevent potential monetary losses.

6. Auctions and other industry participants can report to AIA when a dealer fails to pay, defaults, or otherwise causes a loss. Based on the reported circumstances, AIA determines, in its sole discretion, whether a dealer will be included in AIA's uninsurable list.

7. AIA has no control over whether any of its insureds, or anyone else in the industry, does business with dealers in AIA's uninsurable list.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and accurate to the best of my knowledge.

This 24th day of April, 2017.



Brandon Walton